

PENGAD 800-651-6868

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September 16, 2004

Re: Pandora LLC Terms and Condition

Dear Pandora Customer:

We at Pandora would like to take another opportunity to thank you for being a customer of our unique line of jewelry products. We consider each and every Pandora customer a valuable asset to our fast growing enterprise and rely on our customers to actively and aggressively promote the Pandora line of jewelry products in the United States.

As you know, Pandora is engaged in the business of designing, creating, manufacturing, marketing, distributing and selling custom designed bracelets and necklaces featuring sterling silver and 18k jewelry beads under the distinctive PANDORA Mark.

Mid 2005, Pandora also plans to launch a design and style match program (Pandora Match) which will feature, rings earrings and toe rings along with other items.

Pandora has invested significant amounts of time, effort and financial resources to develop, market, monitor and control the quality and integrity of product produced under the PANDORA Mark. As a result of these efforts, sales of these jewelry products in the United States have far exceeded even our expectations. The tremendous success of the Pandora line of jewelry products is due in large part to customers like you across the country.

Pandora is fully aware of the increasing number of manufacturers and retailers who are producing, offering to sell, or selling necklaces and bracelets in the United States which appear to utilize substantially the same construction and perform the same function as described and published in Pandora's patent application. This would include Pandora's original design by which jewelry beads, spacers and clips are fastened to necklaces and bracelets. Under separate cover, we have provided you with notice of this published pending patent application.

We are also aware that several companies are copying our copyright-protected jewelry designs. Rest assured we at Pandora are aggressively pursuing those who infringe on our intellectual property rights.

Resulting from the above-mentioned entry of new manufacturers in the marketplace, and Pandora's commitment to maintain the integrity and quality of its unique jewelry products, Pandora would like to reiterate its policy which sets forth terms and conditions under which customers may sell the Pandora Brand of jewelry products.

Please read the following information carefully. By signing and returning a copy of this letter, you indicate your acceptance of, and agreement to be bound by, the terms and conditions set forth below.

Sales

1. As a customer of the Pandora Brand of jewelry products, you agree not to sell any other brand of modifiable jewelry which may appear to utilize substantially the same construction and perform the same function as described in Pandora's patent application.

If you decide to promote and distribute the Pandora line of jewelry products, you will agree to the above paragraph #1.

If you decide to promote and distribute any other brand of jewelry products that appears to utilize substantially the same construction and perform the same function as described in Pandora's patent application, be advised that Pandora will not fulfill future orders for product. In this case, please contact us to arrange the return of unsold Pandora inventory for a full refund.

2. As a customer of the Pandora Brand of jewelry products you agree not to sell on auction sites similar but not limited to www.ebay.com.

If you decide to promote and distribute the Pandora line of jewelry products, you will agree to the above paragraph #2.

If you decide not to accept this term, be advised that Pandora will not fulfill future orders for product. In this case, please contact us to arrange the return of unsold Pandora inventory for a full refund (we will not except any returns without written authorization from Michael Lund and an R/A number).

If you would like to discuss any of the terms and conditions discussed above, please do not hesitate to contact your sales representative. You may also contact Pandora directly.

Very truly yours,

Michael Lund
President

PLEASE SIGN AND RETURN A COPY OF THIS LETTER TO INDICATE YOUR ACCEPTANCE OF, AND AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH ABOVE BY OCTOBER 1, 2004.

DATED

BUSINESS NAME

NAME

TITLE